

SENATE BILL 331

By Norris

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, relative to redemption of property
subject to delinquent property taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-2701, is amended by deleting subsection (a) in its entirety and substituting instead the following:

(a)

(1) Upon entry of an order confirming a sale of a parcel, a right to redeem shall vest in all interested persons. The right to redeem shall be exercised within the time period established by this subsection (a) beginning on the date of the entry of the order confirming the sale, but in no event shall the right to redeem be exercised more than one (1) year from that date. The redemption period of each parcel shall be stated in the order confirming the sale based on the following criteria:

(A) For occupied properties, the redemption period shall be one (1) year;

(B) For unoccupied parcels that are not vacant and abandoned, the redemption period shall be determined for each parcel based on the period of delinquency. Once the period of delinquency is established, the redemption period shall be set on the following scale:

(i) If the period of delinquency is five (5) years or less, the redemption period shall be one (1) year from the entry of the order confirming the sale;

(ii) If the period of delinquency is more than five (5) years but less than eight (8) years, the redemption period shall be one hundred eighty (180) days from the entry of the order confirming the sale; and

(iii) If the period of delinquency is eight (8) years or more, the redemption period shall be ninety (90) days from the entry of the order confirming the sale; and

(C) For all property that is vacant and abandoned, the redemption period shall be thirty (30) days from the entry of the order confirming the sale without regard to the number of years of delinquent taxes owed on the property, beyond that required to make the property legally eligible for the sale.

(2) A reasonable basis to believe that real property is not occupied, or, in the case of vacant land, a reasonable basis to believe that the property is abandoned, shall, at a minimum, be based upon periodic inspections of the property over a two-month period at different times of the day where three (3) or more inspections reveal evidence of abandonment.

(3) As used in this section:

(A) "Evidence of abandonment" includes, but is not limited to, any of the following conditions:

- (i) Overgrown or dead vegetation;
- (ii) Accumulation of newspapers, circulars, flyers, or mail;
- (iii) Past due utility notices, disconnected utilities, or utilities not in use;
- (iv) Accumulation of trash, refuse, or other debris;
- (v) Absence of window coverings such as curtains, blinds, or shutters;

(vi) One (1) or more boarded, missing, or broken windows;

(vii) The property is open to casual entry or trespass;

(viii) The property has a building or structure that is or appears structurally unsound or has any other condition that presents a potential hazard or danger to the safety of persons; or

(ix) Any of the conditions in subdivisions (a)(3)(A)(i) — (viii) exist and, if there is a mortgage on the property, the mortgagor does not occupy the property and has informed the mortgagee or loan servicing company in writing that the mortgagor does not intend to occupy the property in the future;

(B) “Period of delinquency” means, with respect to a parcel, the longest consecutive number of years the property taxes on that parcel are delinquent and have not been paid to a jurisdiction, and for which years the collection of property taxes for that jurisdiction is being sought in the tax sale;

(C) “Person entitled to redeem” means, with respect to a parcel, any interested person, as defined in this chapter, as of the date of the sale and the date the motion to redeem is filed;

(D) “Vacant and abandoned” with respect to real property:

(i) Means:

(a) There is a reasonable basis to believe the property is not occupied as determined in accordance with subdivision (a)(2); or

(b) A court has determined that the property is a risk to the health, safety, or welfare of the public or any

adjoining or adjacent property owners, or has otherwise declared the property unfit for occupancy; and

(ii) Does not include:

(a) An unoccupied building that is undergoing construction, renovation, or rehabilitation at the hands of a properly licensed contractor pursuant to a building permit; is proceeding to completion; and is in compliance with all applicable ordinances, codes, regulations, and statutes;

(b) A building occupied on a seasonal basis that is otherwise secure;

(c) A building that is secure, but is the subject of a probate action, action to quiet title, or other similar ownership dispute; provided, that the owners are exercising diligence in pursuit of resolution of the dispute;

(d) A building damaged by a natural disaster and one (1) or more owners intend to repair and reoccupy the property; provided, that the owners are exercising diligence in pursuit of completion of repairs at the property in accordance with subdivision (a)(3)(D)(ii)(a); or

(e) Any property occupied by the owner, a relative of the owner, or a tenant lawfully in possession; provided, that neither subdivision (a)(3)(A)(viii) nor subdivision (a)(3)(D)(i)(b) applies to the property.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.